

TAS S.p.A. Quarterly Report as at 30 September 2005

The English version is a free translation of the Italian one, which remains the original and definitive version.

Quarterly report as at 30th September 2005

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CORPORATE BODIES

Board of Directors

(*) until the approval of Financial Statements as at 31 December 2005

(§) until next Shareholders' Meeting

Pompeo Busnello		Chairman and Managing Director (*)
Paolo Ottani		Non-Executive Director (§)
Matteo Tamburini	1, 2	Non-Executive Director (§)
Angelo Bassi	1, 2	Independent Non-Executive Director (*)
Fabio Massimo Ferri	1, 2	Independent on-Executive Director (*)

Board of Statutory Auditors

until the approval of Financial Statements as at 31 December 2007

Statutory Auditors

Edoardo Cintolesi	Chairman
Fulvio Tranquilli	
Francesca Beatrice Surace	

Alternate Statutory Auditors

Federico Alesiani	
Alba Rita Miglietta	

External Auditors

MAZARS & GUERARD S.p.A.

Share Capital	€921,519.04
no. of stocks	1,772,152
Nominal Value	€0.52

1 Member of the Remuneration Committee

2 Member of the Internal Control Committee

Introduction

This document is drafted in compliance with Article 82 of Consob Regulation no. 11971 of 14th of May 1999 and following amendments, in the light of the Rules of the Markets organised and managed by Borsa Italiana S.p.A. and related Instructions. The quarterly report is drafted according to Annexe 3D of the above mentioned Consob Regulation.

Starting from the 1st of January 2005, the Group is adopting IAS/IFRS international accounting standards currently in force.

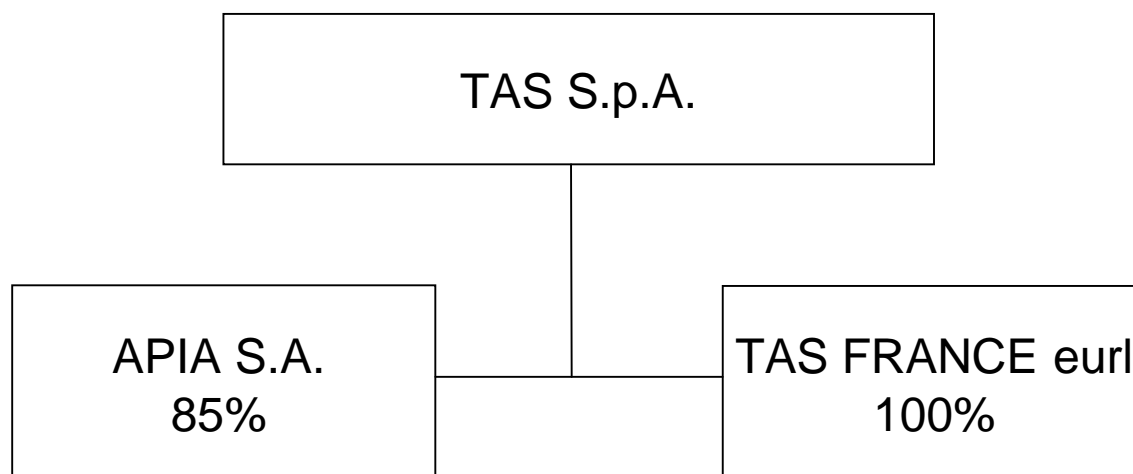
Accounting standards and evaluation criteria adopted are consistent with those followed in the half-year report as at 30 June 2005, where impacts of transition to IFRS have also been analysed. Comparative data of corresponding periods in 2004 have been recalculated according to the new accounting standards. *Chart of changes in the consolidated net shareholders' equity* is attached hereto.

The quarterly report has not been object of audit of accounts.

Economic data are related to the reference quarter and to the period between the beginning of the year and end of quarter. They are also compared to data of the same periods of the precedent year. Data of the whole financial year 2004 are also provided. Data of the net financial position at the end of the quarter are compared with data of the last quarter and of the last financial year.

Accounting data, expressed in thousands Euro (k€), are referred to the Group as TAS is bound to prepare consolidated data.

The quarterly report as at 30 September 2005 has been approved by the Board of Directors on the 10th of November 2005.

1. TAS Group

The financial statements of the Companies included in the consolidation area are assumed with the integral method.

Name	Country	Share Capital	% Ownership	Net Shareholders' Equity
TAS S.p.A.	Italy	922		18,752
TAS FRANCE EURL	France	503	100	(276)
APIA SA	Switzerland	65	85 ⁽¹⁾	6,675

(1) Accounting data take into account 100% shareholding in APIA's share capital, although the percentage owned is 85% because the remaining 15% is the object of put & call options.

TAS S.p.A.

Parent Company

- Largo dei Caduti di El Alamein no. 9, Rome - Italy

Local entities:

- Milan, Via Quintino Sella no. 4 - Italy;
- Verona, Via Museo no. 1 - Italy.

APIA S.A.

Controlled 85%

- Prati Botta, 22 Barbengo (Lugano) - Switzerland

Secondary establishment:

- Kloten, Lindenstrasse, 12 (Zurich) - Switzerland

TAS France Eurl

Controlled 100%

- Sophia Antipolis, W.T.C. 1, Batiment B7, 1300 Route des Crêtes - France



1.1 Operative conditions and business development

TAS S.p.A. operates in the field of information technology with particular reference to development, commercialisation, consulting, assistance and maintenance of software, and it also has an ancillary activity of sale of hardware.

The software developed mainly concern automation of the process of collection, submission and execution of orders to purchase and sell financial products.

TAS also offers ASP (Application Service Provisioning) services in the same areas through its own applications.

The Company also started marketing APIA's solutions on the Italian market.

The Company operates abroad through its controlled undertakings APIA S.A. and TAS FRANCE E.U.R.L..

The activity of TAS S.p.A. is carried out at the registered offices in Rome, Largo dei Caduti di El Alamein no. 9 as well as at the following local entities:

- Milan, Via Quintino Sella no. 4;
- Verona, Via Museo no. 1.

TAS FRANCE is an Internet Service Provider with a wide experience in e-commerce and recently widening its Housing and Hosting capacity for own and third party's systems. Besides this historical activity, it actively co-operates with TAS in developing new financial software products and in commercialising TAS products in France, Principate of Monaco, Belgium and Luxemburg. For this purpose a distribution agreement was stipulated between the two companies.

The activity of TAS FRANCE EURL is carried out at the registered offices at Sophia Antipolis, Batiment B7 1300 Route des Gretes.

APIA S.A. was established in 1992 from the idea of two managers entrepreneurs, being already operative in the IT world inside the big Swiss banking groups for 10 years, with the aim of offering technological solutions able to guarantee to banking operators a remarkable efficiency in their operations and highest customer satisfaction.

The main focus of APIA resides therefore in the technological solutions for core business of financial intermediaries, gradually integrated with the existing accounting or back office "non core" systems, in order to reduce the impact on organisation and management. APIA offers solutions for credit supply and control.

APIA's registered office is at Prati Botta, 22 Barbengo (Lugano, Switzerland). The activity is carried out there and at the secondary office at Kloten (Zurig, Switzerland) in Lindenstrasse, 12.

2. Dati contabili

2.1.a Consolidated Income Statement	k€	09/30/2005	09/30/2004	var. 05/04	12/31/2004
Revenues		10,691	9,310	15%	11,974
Change in work in progress on order		-70	45	-256%	77
Other income		8	48	-83%	77
Total Revenues		10,629	9,403	13%	12,128
Costs for capitalised works		502	389	29%	547
Raw Goods and Consumables		-148	-110	35%	-168
Personnel Costs		-4,740	-4,805	-1%	-6,421
Depreciation		-429	-324	32%	-493
Other expenses		-1,928	-1,719	12%	-2,427
Total Expenses		-6,743	-6,569	3%	-8,962
OPERATING RESULT		3,886	2,834	37%	3,166
Financial Income (Expenses)		172	135	27%	221
Result before taxes		4,058	2,969	37%	3,387
Taxes		-1,140	-1,035	10%	-1,263
Result of continued operations		2,918	1,934	51%	2,124
NET EARNING (RESULT)		2,918	1,934	51%	2,124

2.1.b Consolidated Income Statement	k€	III Q 05	III Q 04	var. III/III
Revenues		2,894	2,870	1%
Change in work in progress on order		40	108	-63%
Other income		4	17	-76%
Total Revenues		2,938	2,995	-2%
Costs for capitalised works		166	136	22%
Raw Goods and Consumables		-39	-57	-32%
Personnel Costs		-1,504	-1,502	0%
Depreciation		-144	-115	25%
Other expenses		-534	-410	30%
Total Expenses		-2,055	-1,948	5%
OPERATING RESULT		883	1,047	-16%
Financial Income (Expenses)		50	94	-47%
Result before taxes		933	1,141	-18%
Taxes		-261	-359	-27%
Result of continued operations		672	782	-14%
NET EARNING (RESULT)		672	782	-14%

2.2. Investments in Fixed Assets	k€	III Q 2005	III Q 2004	var. III/III	09/30/2005	09/30/2004	var. 05/04
Software development		166	136	22%	502	389	29%
Other intangible Fixed Assets		4			77	20	285%
Electronic machines and Hardware		14	12	17%	49	99	-51%
Other tangible fixed assets		1	14	-93%	1	18	-94%
TOTAL INVESTMENTS OF THE PERIOD		185	162	14%	629	526	20%

2.3. Consolidated Net Financial Position	k€	09/30/2005	06/30/2005	12/31/2004
Cash, bank accounts and securities		15,837	16,136	14,838
Securities other than fixed assets		51	101	0
Other receivables		60	212	237
Short term leasing to banks and other financial institutions		-31	-37	-25
Financial payables due within 12 months (Apia's put)		-2,309	-2,309	-1,999
Short term net financial position		13,608	14,103	13,051
Medium/long term receivables		161	167	173
Medium/long term payables to banks and other financial institutions		-15	-15	-39
Financial payables due over 12 months (Apia's put)		-2,509	-2,509	-4,570
Medium/long term net financial position		-2,365	-2,357	-4,436
Net financial position		11,243	11,746	8,615

2.4. Consolidated Statement of Cash Flow	k€	09/30/2005
Net Profit (Loss) of the period		2,918
Depreciation		429
Write-down		191
Changes in Employees' Leaving Indemnity		99
Changes in liabilities and charges provision		-848
Deferred and advanced taxes		171
Decrease (increase) in Receivables		-977
Decrease (increase) in payables		1,562
(A) Cash flow provided by (used in) operating activities		3,545
Investments in fixed assets		-878
intangible		-580
tangible		-50
financial		-248
Disinvestments		2
Received dividends		1
(B) Cash flow provided by (used in) investment activities		-875
Change in shareholders equity		-42
(C) Cash flow provided by (used in) financing activities		-42
(D) Change in net financial position (A+B+C)		2,628
(E) Initial Net Financial Position		8,615
(F) NET FINANCIAL POSITION AT PERIOD-END (D+E)		11,243

2.5. Reclassified Consolidated Balance Sheet	k€	09/30/2005	09/30/2004	12/31/2004
Intangible Fixed Assets		14,333	14,382	14,422
- <i>Goodwill</i>		13,260	13,607	13,607
- <i>Other intangible fixed assets</i>		1,073	775	815
Tangible Fixed Assets		340	408	399
- <i>Tangible fixed assets</i>		340	408	399
Shareholdings and other securities among fixed assets		67	67	67
Financial Receivables among fixed assets		160	173	173
Deferred tax assets		45	74	74
Other receivables		25	25	25
Non current assets		14,970	15,129	15,160
Inventories		83	3	112
Trade receivables		2,100	2,733	1,313
- <i>(of which advanced payments and deferred income)</i>		155	146	137
Other receivables		188	371	338
Shareholdings and other securities among current assets		51	0	0
Cash and cash equivalents		15,837	14,383	14,838
Deferred tax assets		54	66	46
Current assets		18,313	17,556	16,647
TOTAL ASSETS		33,283	32,685	31,807
Share Capital		922	922	922
- <i>(of which unpaid)</i>		0	0	0
Share premium reserve		16,950	16,950	16,950
Revaluation reserve		0	0	0
Other reserves		470	296	311
Profit/Loss of former financial periods		1,284	-108	- 44
Profit /Loss of the period		2,918	1,934	2,124
Net Shareholders Equity		22,544	19,994	20,263
Employees' leaving indemnity		1,041	899	942
Provision for liabilities and charges		47	12	47
Provision for taxes including deferred taxes		0	0	848
Other payables		0	6	0
Deferred tax liabilities		396	171	217
Financial payables due over 12 months		2,524	4,609	4,609
Non current liabilities		4,008	5,697	6,663
Trade payables		2,613	2,216	832
- <i>(of which advanced payments and deferred income)</i>		584	723	371
Other payables		1,703	2,622	1,922
Financial payables due within 12 months		2,339	2,030	2,023
Deferred tax liabilities		76	126	104
Current liabilities		6,731	6,994	4,881
TOTAL EQUITY AND LIABILITIES		33,283	32,685	31,807

3. NOTES TO FINANCIAL STATEMENTS

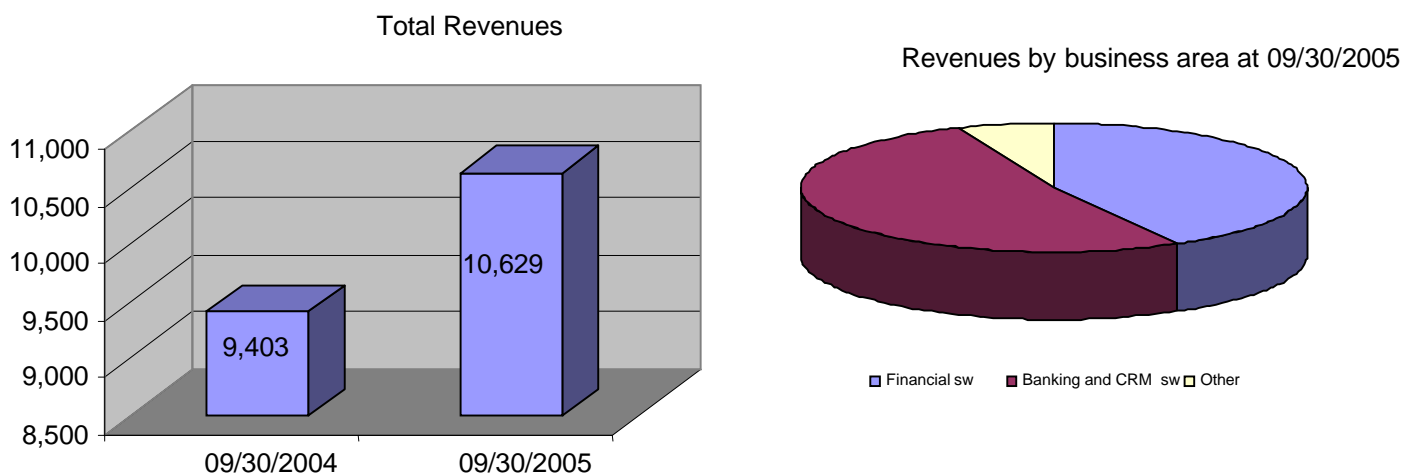
The consolidation area includes TAS S.p.A., the controlled Swiss Company APIA S.A. and the French TAS FRANCE EURL. Revenues of each Company come almost completely from the Countries where their head offices are located.

Comments herebelow mainly concern comparison between the first nine months of 2005 and the corresponding period of 2004; in addition, the third quarter 2005 may be compared to the third quarter 2004 as three months only may be excessively influenced by contingent events due to the small dimensions of the Group.

Revenues

Total revenues grow by 13%, passing from €9,403 thousand at 09/30/04 to €10,629 thousand at 09/30/2005.

In the third quarter revenues bend by 2% over the same quarter in 2004, passing from 2,995 k€ to 2,938 k€



Main contribution to revenues come from the *Banking and CRM software*, sold only on the Swiss market, growing by 41% and weighing more than 50% over total revenues.

Revenues by business area	09/30/2005	09/30/2004	var. 05/04
Financial Software	4,474	4,820	-7%
Banking and CRM Software	5,507	3,896	41%
Other	656	695	-6%
Eliminations	-8	-8	0%
TOTAL	10,629	9,403	13%

The area of *Financial Software* bends by 7%, equal to the remaining area (*Other*).

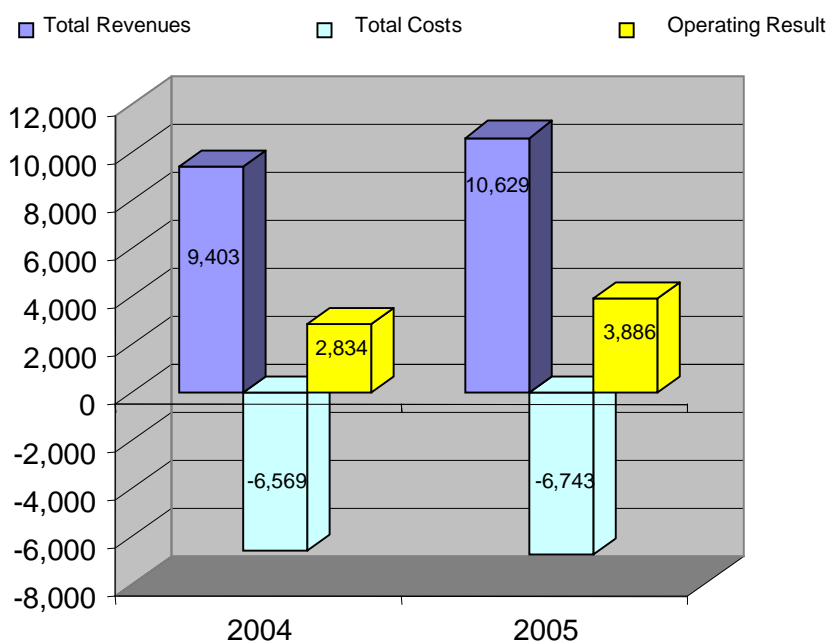
Revenues by Geographical Area	09/30/2005	09/30/2004	Changes 05/04
Italy	4,320	4,777	-10%
Switzerland	5,507	3,896	41%
France	803	894	-10%
Other	251	210	20%
Eliminations	-252	-374	-33%
TOTAL	10,629	9,403	13%

The break down of revenues by geographical area reflects the location of the three companies forming the Group. *Switzerland* grows by 41%, *Italy* decreases, *France*, net of intercompany, is almost unchanged whilst the area *Other* grows by 20%.

The geographical area *Other* comprehends Great Britain, Germany, Monaco and San Marino.

Operating Result

Operating Result during the nine months of 2005 grows by 37% over the same period 2004, passing from 2,834 k€ to 3,886 k€



Total costs pass from 6,569 k€ to 6,743 k€ slightly increasing by 3%.

Raw Goods and Consumables grow by 35% almost entirely due to resale of products, in particular Visual Trader terminals.

Personnel costs decrease by 1% passing from 4,805 k€ to 4,740 k€ because of reduction of three units in TASFRANCE personnel.

Other costs grow by 12%, passing from 1,719 k€ to 1,928 k€ mainly because of higher write downs of receivables and professional fees for assistance in the Issuer's Statement drafted by TAS Board of Directors following NCH's Offer to Buy.

Increase of *depreciation* by 32% is due to higher depreciation of development costs.

Costs for capitalised works, i.e. development costs, grown by 29% for reasons commented in the paragraph concerning investments, reduce costs.

Net Result

Net result as at 09/30/2005 amounts to 2,918 k€ increasing by 51% over 09/30/2004 when it amounted to 1,934 k€

Financial Income passes from 135 k€ to 172 k€ The increase by 27% arises from lower financial expenses.

Profit per share during the first nine months of 2005 of 1.65 euro, higher than the reference period of precedent year, i.e. 1.09 euro, and than the whole 2004, i.e. 1.20 euro.

	in euro	09/30/05	09/30/04	12/31/04
Share Capital		921,519	921,519	921,519
Profit		2,918,000	1,934,000	2,124,000
Common shares		1,772,152	1,772,152	1,772,152
Weighed mean number of circulating shares in the period.		1,772,152	1,765,218	1,772,152
Profit per share		1.65	1.09	1.20

Net Financial Position

Net Financial Position is positive for 11,243 k€ increasing of 2,628 since 12/31/2004.

In comparison to position at 06/30/2005 a reduction of 502 k€ has been recorded attributable to a negative contingent trend of net current assets and to the use of provision for taxes.

Investments

Investments of the period are equal to 629 k€ and can be broken down as follows:

Investments in Fixed Assets	k€	09/30/2005	09/30/2004	var. 05/04
Software development		502	389	29%
Other intangible Fixed Assets		77	20	285%
Electronic machines and Hardware		49	99	-51%
Other tangible fixed assets		1	18	-94%
TOTAL INVESTMENTS OF THE PERIOD		629	526	20%

Software Development, 502 k€ concerns capitalised internal costs for development of new software applications. Increase by 29% is due to software development of new Teletrading, in unix environment, Disaster Recovery and new Hub, also in unix environment.

Other intangible fixed assets mainly concern rights on software used for the Group's activities. Their increase is especially due to renewal of operating systems in TAS.

Electronic machines and Hardware vary from 99 k€ to 49 k€ decreasing by 51%. In particular they refer to personal computer and server to carry out activity.

4. SIGNIFICANT EVENTS AFTER PERIOD END

After the end of the quarter, on 28 October 2005, the Offer to Buy launched by N.C.H. S.p.A. ended with the purchase of no. 182,103 shares. N.C.H.'s stake in TAS' share capital reached 67.276%, as also published by N.C.H. itself.

5. COMMENTS ON MANAGEMENT TREND

Results of the Group as at 09/30/2005 confirm the good margins already shown in Half Year Report, Operating Result at 36% and Net Result at 27% over total revenues.

There are still lights and shadows over the future. As for the lights, we refer to the good position of TAS on Italian market and of APIA on the Swiss one as well as to the positive reply of customers. As for the shadows, completely beyond our control, they are linked to the trend of the reference market still weak and little disposed to invest.

At the date of this report there are no significant events that could considerably change the financial, equity and economic situation of the Company.

The financial structure should not shift considerably from the actual one.

TAS Tecnologia Avanzata dei Sistemi S.p.A.
(The Chairman of the Board of Directors)
Pompeo Busnello

Annex

Chart of changes in consolidated net shareholders equity

	Share capital	Share premium reserve	Legal reserve	Extraordinary reserve	Other reserves	Conversion reserve	Retained earnings/ Losses carried forward	Profit/ Loss of the period	Net Group shareholders equity	Total Net Shareholders Equity
Balance as at 01/01/2004 Italian accounting standards	915	17,242	180	3	31	-22		485	18,834	18,834
Effect of IFRS adoption		-292					-161		-453	-453
Balance as at 01/01/2004 IFRS	915	16,950	180	3	31	-22	-161	485	18,381	18,381
Employees' stock grant share capital Increase	7				-7				0	0
2003 Profit destination			92			22	371	-485	0	0
Result of the period								637	637	637
Exchange difference of financial statements in foreign currency						-3			-3	-3
Effect of IFRS adoption							-318	1,297	979	979
Balance as at 30 September 2004	922	16,950	272	3	24	-3	-108	1,934	19,994	19,994

	Share capital	Share premium reserve	Legal reserve	Extraordinary reserve	Other reserves	Conversion reserve	Retained earnings/ Losses carried forward	Profit/ Loss of the period	Net Group shareholders equity	Total Net Shareholders Equity
Balance as at 01/01/2004 Italian accounting standards	915	17,242	180	3	31	-22		485	18,834	18,834
Effect of IFRS adoption		-292					-161		-453	-453
Balance as at 01/01/2004 IFRS	915	16,950	180	3	31	-22	-161	485	18,381	18,381
Employees' stock grant share capital increase	7				-7				0	0
2003 Profit destination			92			22	371	-485	0	0
Result of the period								526	526	526
Exchange difference of financial statements in foreign currency						12			12	12
Effect of IFRS adoption							-254	1,598	1,344	1,344
Balance as at 31 December 2004	922	16,950	272	3	24	12	-44	2,124	20,263	20,263
2004 Profit destination				193		-12	345	-526	0	0
2004 Profit destination							1,598	-1,598		
Result of the period								1,546	1,546	1,546
Exchange difference of financial statements in foreign currency						-21			-21	-21
Effect of IFRS adoption						-1	-615	1,372	756	756
Balance as at 30 September 2005	922	16,950	272	196	24	-22	1,284	2,918	22,544	22,544